



2008 Fall Caravan

Top Real Estate Legal Issues

Plus a Methamphetamine Update – 6 hours Required*

* (this course is not approved for continuing education hours for appraisers)

Presented by Dale Carlton

And MAPP-SD

Wednesday, October 15 – Spearfish Holiday Inn/Convention Center

Thur., October 16 – Rapid City Rushmore Plaza Holiday Inn **NEW LOCATION**

Fri., October 17 – Pierre Ramkota, Amphitheatre II – 920 W. Sioux Ave.

Monday, October 20 – Sioux Falls Ramkota – Washington Room

Tuesday, October 21 – Sioux Falls Ramkota – Washington Room

Wednesday, October 22 – Watertown Ramkota

Thursday, October 23 – Aberdeen Ramkota

Please make note of the event LOCATIONS for this caravan.

Registration begins at 8:15 a.m. Course is scheduled from 9 a.m to 4 p.m.
Pre-registration is required to guarantee admission and is **STRONGLY ENCOURAGED**.

Deadline to pre-register is Friday, October 10.

Use the registration form on the back page of this newsletter.

Registration Fee: \$50.00 (including cookies during morning break)

The Commission will retain \$20 of any refunded registration fee.

The SDREC has a strict attendance policy and expects participants to attend the entire session.
For special needs or access assistance, call the Commissions office at (605) 773-3600.

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From the Director's Desk

In my recent travels across the state, I've been asked to address three issues.

The first issue is in regard to the mediation clause in the purchase agreement. The Commission prescribed purchase agreement gives the buyer a choice for mediation. If the buyer selects mediation, it is the duty of the buyer's agent to make sure mediation is an available means for resolution. In addition, if there are issues that arise between the buyer and seller and both agreed to mediation, they need to be reminded of their contractual obligation to initiate those proceedings.

The second issue is earnest money that does not accompany the purchase agreement. The Commission's prescribed purchase agreement makes provisions for this scenario. If the earnest money does not accompany the purchase agreement, make sure to address that fact in the agreement so that the seller does not think it is in the listing broker's possession.

The third issue deals with the Seller's Property Condition Disclosure Statement that went into effect on July 1st and the use of amendments to the prior existing form. The only amendments to the form allowed by statute is contained in SDCL 43-4-38 which reads, "...If after delivering the disclosure statement to the buyer or the buyer's agent and prior to the date of closing for the property or the date of possession of the property, whichever comes first, the seller becomes aware of any change of material fact which would affect the disclosure statement, the seller shall furnish a written amendment disclosing the changes of material fact." Please review SDCL 43-4-37 through 44 in your license law books to get a better understanding of the property condition disclosure statutes.

Some of you have expressed your concern about buyers wanting to

write up purchase agreements prior to reviewing the Sellers Property Condition Disclosure Statement. If your buyer is adamant about signing a purchase agreement under this type of circumstance, make sure you have something in writing from the buyer that proves you encouraged the buyer to review the Disclosure Statement and that you reviewed the disclosure requirements with your buyer. The same goes for the listing agent, as well. Make sure your seller is aware of the disclosure requirements and the liability for your seller if the Disclosure Statement isn't provided in accordance to South Dakota law.

Responsible brokers — be aware that the compliance officers will be reviewing your internal controls during your next audits. Remember, the trust account is YOUR responsibility and you need to make sure that whoever reconciles your trust account is doing it correctly. Also, be prepared for license renewals — not just your license but those associated with you, as well. It's a good idea to have a meeting with your associates that are up for renewal to see where they are at in the renewal process. Perhaps with your encouragement, the procrastinators will complete their education prior to the renewal deadline.

Complaints to the Commission office are on the rise. Some of these are the result of a buyer's agent encouraging a disgruntled buyer to file a complaint against a seller's agent. What the buyer's agent forgets is his/her own fiduciary duty to the buyer. When a complaint like this is filed, the Commission looks at the actions of the buyer's agent. Oftentimes, the buyer's agent is at fault more so than the seller's agent.

I recently returned from a seminar presented by an economist who painted a pretty gruesome picture of the financial turmoil we are experiencing nationwide. However, one of his slides showed South Dakota looking better than most states. This is another reason why South Dakota is such a great place to live. We are very fortunate to not have the extreme lows experienced in other real estate markets.

DjN

Continuing Education Corner

By Karen Callahan, Education Director

'Tis the Season! No, not THAT season, but for many licensees, it will soon be license renewal season!

Now is the time of year to take a look at your education records and determine what, if any, hours are needed in order to renew. Many of the education providers are scheduling continuing education courses during the next few months, so be sure to check our calendar of upcoming classroom courses on our website often as course dates continue to be added.

For licensees NOT renewing this year, consider taking advantage of continuing education opportunities now, to avoid the scramble for last minute hours this time next year.

Brokers, broker associates, auctioneers and property managers — keep in mind that at least 12 of the 24 hours of continuing education needed to renew must be in Required areas. The 12 hours of continuing education hours for residential rental agents and 24 hours of CE for home inspectors are not subject to the required and elective categorizations. Instead, the subject matter must simply be applicable to those licensees.

Licensees may check their education report by logging on to the SDREC website at www.state.sd.us/sdrec - click on the "Licensees Only" section and follow the login instructions. For licensees renewing in 2008, the education hours that will count toward the renewal requirement are from courses taken in 2007 and 2008.

Any hours taken to activate a license or to satisfy a disciplinary action taken by the Commission do NOT count toward the continuing education hours needed for renewing a license.

Licensees completing courses via distance learning (internet) or independent study must score at least an 80% on the course exam to receive continuing education credit for the course.

Questions regarding the education requirements can be directed to Karen Callahan, SDREC Education Director at (605) 773-3600 or via email at karen.callahan@state.sd.us.

Calendar of Events

September 8-10
Commission Meeting, Deadwood

October 13
Native American Day, Office Closed

October 28-29
Commission Meeting, Sioux Falls



**Fall
Caravan
Featured
Speaker:
Dale
Carlton**

Dale has worked in the Real Estate field since 1998 and has been an Attorney since 2001. He was formerly the Senior Vice President and Executive Broker at Lindsey & Assoc., Inc. Arkansas' largest Real Estate firm with approximately 150 agents and over \$700 million in sales in 2005 when he left to open his own company. Dale is now the Principal Broker and Owner of Carlton Realty, Inc. and has marketed over \$100 million in properties, has personal sales of over \$50 million from 2003-2006 and owned, co-owned, or managed over 200 residential and commercial properties in Northwest Arkansas from 2000-2006.

Speaking to over 50,000 people, Dale is a certified instructor with the Arkansas State Board of Private Career Education and teaches with the Council of Residential Specialist, Graduate of REALTOR® Institute, Arkansas Institute of Real Estate, Lorman Education Services, and Sterling Education Services, Inc. He has taught throughout the nation in areas such as: San Francisco, Corpus Christie, Memphis, Detroit, Lexington, Naples, Las Vegas, Wichita, Ft. Worth,

the University of Arkansas, the University of Notre Dame and many, many more.

Dale is not only an experienced educator, but he is actively working within the fields that he speaks and educates. You will enjoy his high-energy, humorous and knowledgeable presentation.

The legal issues presented during this fall's Caravan course will include: agency, property condition disclosure items such as patent and latent defects, RESPA, agent representation, contracts and updates on case studies and lawsuit trends across the country.

The caravan course is approved for brokers, broker associates, property managers, auctioneers, residential rental agents and home inspectors.



How "Fair" is Your Advertising?

The SDREC office is reminding licensees that when advertising properties for sale or rent to avoid using phrases that may be in violation of fair housing laws. The following are examples of language that may be viewed as discriminatory:

"Perfect for college student or young professional"; "Great for empty nesters" – these phrases can indicate a preference against families with children.

"Dad will love the garage; Mom will love the huge kitchen" – these phrases may discriminate against single parents and the use of "mom" or "dad" may be a possible gender issue.

The best way to avoid potential problems is to remember that advertisements should describe the property, not the people that may want to live there.

For guidance regarding advertising under the Fair Housing Act, log onto the Dept. of Housing and Urban Development (HUD) website at www.hud.gov/offices/fheo/library. Specifically, the HUD Memo on

Advertising, commonly called the Achtenberg Memo, explains HUD's position on procedures for the acceptance and investigation of allegations of discrimination involving advertising.

Another resource is The Fair Housing of the Dakotas, www.fhdadkotas.org, which serves North & South Dakota to eliminate housing discrimination and to ensure equal housing opportunities for all. Their website offers a wealth of information, publications, training for industry professionals and community education.

South Dakota Real Estate VIEW

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Articles by outside experts express the author's particular viewpoints. These opinions are not necessarily shared by the Commission, nor should they be mistaken for official policy. The articles are included because they may be of interest to the readers.

Disciplinary Action

The following disciplinary actions have become effective since the last report in the newsletter. A Stipulation and Assurance of Voluntary Compliance is a settlement agreement between licensees and the Real Estate Commission and constitutes neither an admission nor a denial of any violation.

Brian DeNeui, Sioux Falls, Broker Associate. Findings of Fact, Conclusions of Law, and Order. Revocation of license; penalty of \$2,500 and costs of \$1456.75. Violation of SDCL 36-21A-71(6);(15) and (32). DeNeui has committed unprofessional conduct in that he has been convicted of manufacturing, distributing, possession of a controlled substance, namely, methamphetamine and possession with intent to distribute or distribution of drugs in a drug free zone, in violation of the license laws.

Clayton Sonnenschein, Pierre, Broker. Finding of Fact, Conclusions of Law, and Order. Revocation of License; Penalty in the amount of \$2,500; Costs of \$1,816.88. Violation of SDCL 36-21A-71(1);(3);(6);(9);(15);(31) and (32) - Sonnenschein has committed unprofessional conduct in that he has pleaded guilty to two felony charges of solicitation of a bribe by a public officer in violation of the license laws.

Scott Lloyd, Sioux Falls, Property Manager. Summary Suspension. Violation of SDCL 36-21A-71(1) and (15). Lloyd has committed unprofessional conduct in that he made an unauthorized transfer of trust money from a trust account to his personal account and for failure to remit sales and services taxes on behalf of his principals to the State of South Dakota.

Cheri St. Pierre, Rapid City, Broker Associate. Stipulation and Assurance of Voluntary Compliance. Completion of 6 hours of classroom continuing education on contracts and 3 hours of classroom continuing education on ethics within one year. Penalty of \$1000 and costs of \$1508.75. Alleged violation of SDCL 36-21A-71(1);(15);(31); and (32) for signing the names of her clients without prior written consent.

Anna Higgason, Sioux Falls, Property Manager. Findings of Fact, Conclusions of Law, and Order. Revocation of License. Penalty of \$2,500 and costs of \$8,089.05.

Violation of SDCL 36-21A-71(1);(3);(15);(30);(31);(32) and (34) for forging HUD reports, lease amendments, income verifications, and asset verifications. Higgason also forged signatures of other persons in the conduct of her duties as a licensee. Higgason transferred funds from the partnership reserve account to the partnership business account to cover an overdraft resulting from an insufficient funds check issued to a company owned by Higgason's husband.

Bill Hone, Sioux Falls, Home Inspector. Findings of Fact, Conclusions of Law, and Order. Suspension of license for one year, with said suspension stayed on condition that Hone has no license violations for a period of one year. Penalty of \$2,500 and costs of \$4,298.25.

Violation of ARSD 20:74:06:08(2) for inaccurate and/or incomplete home inspection report and failure to report damaged shingles on the roof of the subject home.

Steven L. Folk, Rancho Santa Fe, CA, Broker. Findings of Fact, Conclusions of Law, and Order. Revocation of license. Costs of \$5,899.18. Violation of SDCL 36-21A-71(1);(15);(31) and (32). Folk has committed unprofessional conduct in failing to comply with a voluntary compliance and failure to pay previously assessed monetary penalties.

Real Estate News from Around the U.S.

(used with permission from ARELLO)

Iowa Enacts "Three Strikes and You're Out" Law, Strengthens Licensing Standards

The Iowa State Legislature has passed a new statute that mandates revocation of real estate brokers' and salespersons' licenses following three violations of specified disciplinary provisions within a three-year period.

The bill, SF 2250, also strengthens statutes that preclude persons who have been convicted of certain criminal

offenses from obtaining real estate licenses. Iowa's existing statutes prohibit applicants who have been convicted of any felony from being considered for licensure for a period of two years following the completion of any criminal court sentencing requirements. The existing laws also preclude licensure, for a period of 5 years following sentence completion, for any person convicted of forgery, embezzlement, obtaining money under false pretenses, theft, arson, extortion, conspiracy to defraud or any other offense involving a criminal breach of fiduciary duty. SF 2250 broadens the five-year application "time-out" period to persons convicted of any "other similar offense" or "any offense involving moral turpitude".

Other provisions of the amended statutes modify license application processing to allow for completion of criminal background checks and make administrative changes to Iowa's real estate education fund.

The new laws took effect on July 1, 2008.

License and E&O Renewal Reminders

Errors & Omissions Insurance Annual Premium Notices and License renewal forms will be mailed out in early October. E&O premiums for licensees on the group policy are due ANNUALLY, regardless of when the license and are due in the SDREC office no later than November 30. License renewal forms will be sent out ONLY for those licensees who are due to renew at the end of 2008.

The notices will be mailed directly to licensees at their office addresses, rather than to the responsible brokers. Inactive licensees will receive the renewal notices at their home addresses. As a reminder, the renewals must be received by the SDREC office by November 30 or a late fee will be assessed – this is NOT a postmark deadline

If your education is not completed, NOW is the time to take some courses!



In Memoriam

The SD Real Estate Commission extends its sincerest sympathy to the families and friends of the following licensee who recently passed away:

Barbara Madsen, Watertown
Linda Jordan, Rapid City
Joyce Gall, Sioux Falls
Shirley Ringling, Platte
Philip Morgan, Britton

New Licensees

The South Dakota Real Estate Commission would like to welcome the following new licensees.

Broker

Aasal, Mary J – Fort Lauderdale, FL
Davis, Patricia L – Belgrade, MT
Lounsborough, Lisa M – Watertown
Nadolski, David L – Sioux Falls

Oberloh, Heath R – Sioux Falls
Odenbach, Scott J – Spearfish
Paxton, Sonya – Stuart, NE
Schumacher, Miles F – Sioux Falls
Seward, Jim D – Belle Fourche

Broker Associate

Amdahl, Alan W – Sioux Falls
Anderson Sr., John S – Sioux Falls
Anderson, Larry S – Box Elder
Boomsma, Daene C – Rapid City
Dettmann, Sarah E – Flandreau
Fifield, Jack M – Pierre
Garnes, Chad C – Sioux Falls
Geier, Bonnie S – Rapid City
Gese, Lisa M – Aberdeen
Hanson, Christy M – Sioux Falls
Hegerfeld, Megan E – Elkton
Herbst, Joseph T – Rapid City
Hultgren, Aaron L – Brandon
Lail, Margo R – Colton
Lawrence, David A – Sioux Falls
Leddy, Donnie R – Stockholm
Lowe, Laura J – Rapid City
Nelson II, Peter J – Sioux Falls
Nesbit, Sterling E – Rapid City
Owen, Claris A – Winner
Owen, Twila M – Winner
Reppe, Angela K – Watertown

Ronsiek, Jeff – Okoboji, IA
Schad, Tyler J – Rapid City
Smith, Jami A – Madison
Spires, Ashly C – Pierre
Tomcak, Cindy J – N. Sioux City
Vogel, Justin – Sioux Falls
Ward, Jason R – Spearfish
Wentzel, Reginald R – Chancellor
Zandstra, Darcy S – Rapid City

Property Manager

Meadows, Darryl W – New Underwood

Reg. Home Inspector

Cronin, Robert J – Rapid City

Res. Rental Agent

Larson, Jeffery C – Yankton
Murray, Mathew S – Rapid City
Weller, Kyle R – Spearfish
Wesche, Julie A – Brookings

Salesperson

Avery, Sarah L – Sioux City, IA
Fraleigh, Michael D – Buffalo, WY
Mrnak, Andy M – Bowman, ND
O Neal, Kaye L – Crofton, NE
Silva, Stefanie E – Sioux City, IA

APPRAISER UPDATE

This section of the South Dakota Real Estate Review is the responsibility of the South Dakota Department of Revenue and Regulation Appraiser Certification Program. Articles are printed here to communicate pertinent information to those appraisers who receive this newsletter and are licensed under the Certification Program. Appraiser certification inquiries can be directed to Sherry Bren, Program Administrator, 445 East Capitol, Pierre, SD 57501, 605-773-4608

Appraiser Certification Program Mission– Purpose–Intent

The Appraiser Certification Program was implemented July 1, 1990, pursuant to enactment of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) by Congress. The mission of the Program is to certify, license and register appraisers to perform real estate appraisals in the state of South Dakota pursuant to Title XI (FIRREA).

The purpose of the Program is to examine candidates, issue certificates, investigate and administer disciplinary actions to persons in violation of the rules, statutes and uniform standards, and approve

qualifying and continuing education courses. Title XI intends that States supervise all of the activities and practices of persons who are certified or licensed to perform real estate appraisals through effective regulation, supervision and discipline to assure their professional competence.

Appraiser Certification Program Advisory Council

Council members provide recommendations to the Secretary of the Department of Revenue and Regulation in the areas of program administration in order to sustain a program that is consistent with Title XI. The Council meets quarterly in

public forum. See the Website for meeting information. www.state.sd.us/appraisers

2008 License/ Certificate Renewal ATTENTION – State- Registered, State-Licensed, State-Certified Residential and State-Certified General Appraisers

The 2008 license/certificate renewal applications and renewal fees were due in the Appraiser Certification Program office by August 17, 2008. If you have not already done so, please submit your renewal application and renewal fees as soon as possible.

USPAP Q & A

Vol. 10, No. 6, June 2008

Uniform Act and Scope of Work

Question: I'm doing an appraisal assignment for a government agency that is subject to the jurisdiction of "The Uniform Relocation Assistance and Real Property Acquisitions Act of 1970, as Amended" (aka "Uniform Act"), and its implementing regulation, 49 CFR Part 24. The regulation requires the acquiring agency to develop the scope of work and define the appraisal problem "cooperatively" with the appraiser. This is somewhat different from USPAP's SCOPE OF WORK RULE which places that responsibility primarily on the appraiser. The agency is providing a draft scope of work and asking me to comply with that as a minimum assignment condition. This raises two possible scenarios:

(A) If the agency scope of work seems appropriate, do I need to state somewhere in my report that the scope of work was developed by the agency with my concurrence?

(B) Assume that I believe the agency scope of work is inappropriate or inadequate. I discuss this with the agency and they insist that the scope of work they have developed is appropriate for their program needs. Can I complete the assignment and be in USPAP compliance?

Valuation Methods and Jurisdictional Exception Rule

Question: I am doing an appraisal assignment for a government agency that is subject to the provisions of the "Uniform Act" and implementing regulation 49 CFR Part 24. They have provided me with a reference to a State Court of Appeals ruling which indicates that standing timber and landscaping impacted by a public project must be appraised based on the value it contributes to the subject property as whole, and not as individual items. They have informed me that this appeals case is frequently cited in condemnation cases and almost always upheld by trial courts in this state. Based on this court decision, the agency has adopted a policy that all standing timber and landscaping be valued in this manner.

On this issue of landscaping, does using "contributory value" versus "replacement value" constitute a Jurisdictional Exception – or an assignment condition, since it is applied

to all such government agency assignments in this state?

"Before Acquisition Value" and Standard Rule 1-4(f)

Question: I'm doing an appraisal assignment for a government agency that is subject to the provisions of the "Uniform Act" and its implementing regulation (49 CFR Part 24). In the "Before acquisition value" appraisal, the regulation requires appraisers to disregard any decrease or increase in the market value of the property that has been caused directly by the project. This regulation appears to conflict with USPAP, Standard Rule 1-4(f), which addresses the analysis of the effect on value of anticipated public or private improvements.

Obviously, I must comply with the Federal law and regulations, but I am unsure how to reconcile this with the requirements of USPAP, Standard Rule 1-4(f).

Does this situation create a USPAP "Jurisdictional Exception" or is this simply an assignment condition?

Uniform Act and the Review of the "Low Value" Acquisition Appraisal Reports

Question: I am a review appraiser for a government agency that is subject to the provisions of the "Uniform Act" and its implementing regulation (49 CFR Part 24). There is a provision in this Federal regulation that allows an acquiring agency to adopt an appraisal review reporting process, in cases of "low value" acquisitions, that may be as simple as the review appraiser stamping such an appraisal report as "approved", and signing and dating that action.

This process is intended to be used only in certain acquisitions, such as a partial acquisition for a highway project – and then only in those that are very minor in their impact to the subject properties and which clearly do not result in legally compensable damages to the remainders or any change in highest and best use. Examples of these appraisal reports might be those performed to value easement areas and/or very minor fee simple acquisitions.

In these cases, this Federal regulation obviously requires much less than is typically required in STANDARD 3 of USPAP.

How does the ASB characterize a review appraiser's simple approval in these instances (Jurisdictional Exception or assignment condition)?

Answers to the above questions can be found at: www.appraisalfoundation.org.

[For further information regarding USPAP Q&As contact The Appraisal Foundation at: www.appraisalfoundation.org]

New Licensees – June/July 2008

Janet M. Krisch, State-Registered – Rapid City, SD

Joe P. Holler, State-Registered – Sioux Falls, SD

James T. Bultsma, State-Registered – Hot Springs, SD

Russell H. Metz, State-Registered – Aberdeen, SD

Patricia Jo Schnider, State-Registered – Rapid City, SD

Donna J. Cavallaro, State-Certified General – Portland, ME

Upgrades – June/July 2008

Kelly Longstaff, State-Licensed – Rapid City, SD

Todd Petersen, State-Certified Residential – Sioux Falls, SD

Brent Reausaw, State-Licensed – Lead, SD

Information Regarding Disciplinary Actions

Public information regarding disciplinary action taken against an appraiser is available upon written request to the Department of Revenue and Regulation, Appraiser Certification Program, 445 East Capitol Avenue, Pierre, SD 57501 or e-mail – Sherry.Bren@state.sd.us. Include in the request for information the name of the appraiser and the appraiser's city and state of residence. (Disciplinary action may include denial, suspension, censure, reprimand, or revocation of a certificate by the department. (ARSD 20:14:11:03))

Review of Cases – Jan. 1-Aug. 12, 2008

For the period 01/01/2008 through 08/12/2008, the Department has received 22 upgrade applications, 1 new

application claiming experience and initiated 7 complaint investigations.

Upgrades – 3 pending, 8 Agreed Dispositions, and 11 issued

New Application Claiming Experience – 1 pending

Complaints – 5 pending, 1 disciplinary action and 1 dismissed with no action.

Inspection of Real Estate Do What You Say and Say What you Do

[Article printed from “The Oregon Appraiser” Newsletter Spring 2008, with the permission of the Appraiser Certification and Licensure Board of Oregon]

One of the practical rules of appraisal is to “Do what you say you are going to do” in the completion of the assignment and then “Say what you did” in the appraisal report. This rule applies in all instances but has special applicability in the inspection of real estate. Many appraisers are just not aware when they sign a certification attesting to their inspection of the interior and exterior of the subject property and the exterior of the comparables that they must have *personally* inspected the interior and the exterior of the subject property and the exterior of the comparables.

It is unethical to sign a certification falsely attesting to inspection of the interior and exterior of the subject property and the exterior of the comparables without having done just that. It is unacceptable to sign any certification in which you are attesting to actions which you undertook in the completion of the assignment when you did not actually undertake those actions.

By signing a FannieMae certification appraisers make specific certifications with regard to the degree of inspection of the subject and the comparables. These certifications are made by the individual signing the certification. In Oregon, that person *cannot* be a registered appraiser assistant. As a result, it is misleading and unethical for an appraiser to sign a certification stating they inspected the interior and the exterior of the subject and the exterior of the comparables when

indeed *only* the appraiser assistant inspected the interior and the exterior of the subject and the exterior of the comparables.

Depending on the intended use of the appraisal and the scope of work, it can be permissible for appraisers to not inspect all or part of the subject and the comparables. Many appraisers address this issue by physically altering the FannieMae certification to reflect the actual degree of their inspection of the real estate. This is appropriate under Uniform Standards of Professional Appraisal Practice for non-FannieMae assignments. The practical problem for appraisers who complete FannieMae type assignments is that FannieMae does not allow any changes to their certifications and limiting conditions.

Some appraisers unsuccessfully attempt to address the issue by adding a statement in FannieMae type assignments that, although they signed a certification attesting to their inspection of the subject and comparables, they really did not perform the inspections which are attested to in the certification. They add the statement because FannieMae does not allow physical alterations to the original certifications and limiting conditions. Adding a statement in the appraisal report, about the appraiser’s lack of inspection, that is contrary to the original signed certification and limiting conditions is not acceptable to FannieMae. FannieMae representatives have told the Board staff they view such a statement by the appraiser as a limiting condition. FannieMae does not permit appraisers to add limiting conditions to appraisal assignments completed for its use.

Remember, FannieMae is a government sponsored enterprise (GSE). The Supplemental Standards Rule of USPAP provides that “Supplemental standards applicable to assignments prepared for specific purposes or property types may be issued (i.e. published) by government agencies, government sponsored enterprises or other entities that establish public policy.” As a result, FannieMae’s position with respect to inspections, certifications and limiting conditions becomes the basis of certain Supplemental Standards which apply in an assignment completed for FannieMae or in accordance with FannieMae guidelines.

The short story here is if the appraisal assignment is to be used by FannieMae or is intended to be completed according to Fannie Mae guidelines, you must be fully aware of every element of the certification and limiting conditions that you are attesting to. Don’t attest to something you have not done. Never forget the basic appraisal practice maxim to “Say what you do” and “Do what you say”.

(Note: Effective January 1, 2008 the SUPPLEMENTAL STANDARDS RULE was deleted from the Uniform Standards of Professional Appraisal Practice because, according to the Appraisal Standards Board of the Appraisal Foundation, the other requirements of USPAP eliminate the need for the Rule. In an effort to avoid misunderstanding by appraisers South Dakota adopted ARSD 20:14:06:01.01 so that it would be clear that the analysis contained in the SUPPLEMENTAL STANDARDS RULE is still required. Below is the administrative rule and examples.

20:14:06:01.01. Assignment conditions. An appraiser shall comply with assignment conditions applicable to assignments prepared for specific purposes or property types issued by government agencies, government sponsored enterprises, or other entities that establish public policy. An appraiser shall ascertain whether any such published assignment conditions in addition to the uniform standards apply to the assignment being considered.

Examples: An appraiser is required to comply with the assignment conditions issued by the federal financial institutions regulatory agencies of the United States known as appraisal guidelines and regulations when performing an assignment for the agencies.

An appraiser is required to comply with the assignment conditions issued by Fannie Mae known as the Fannie Mae Appraisal Guidelines when accepting an assignment requiring the use of the Fannie Mae forms adopted March of 2005.

An appraiser is required to comply with the assignment conditions issued by Employee Relocation Council known as The Relocation Appraisal Guide when accepting an assignment requiring the use of the Employee Relocation Council Summary Appraisal Report.)

2008 Fall Caravan Registration Form – Professional Responsibility

One registration form per person!

Name _____ License Number and Type _____

(Mailing Address) _____ (City) _____ (State) _____ (Zipcode) _____ (Daytime Phone) _____

Email Address: _____

Please check which you would like to attend. Registrations left blank will be returned.

☐ Spearfish – October 15
Holiday Inn

☐ Rapid City – Oct. 16 - Rushmore
Plaza Holiday Inn – **NEW LOCATION**

☐ Pierre – October 17
Ramkota

☐ Sioux Falls – October 20
Ramkota

☐ Sioux Falls – October 21
Ramkota

☐ Watertown – October 22
Ramkota

☐ Aberdeen – October 23
Ramkota

Registrations received by phone or fax will NOT be accepted. The registration fee of \$50 must accompany this form. The Commission will retain \$20 of any refunded registration fee.
Registrations should be mailed to SDREC, 221 W. Capitol Ave., Suite 101, Pierre, SD 57501.

Registrations are due no later than Friday, October 10.

4365 copies of this publication were printed by the South Dakota Real Estate Commission at a cost of .20 per copy.

SD Real Estate Commission
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Pierre, SD 57501